

**State:** District of Columbia    **First Filing Company:** Sentry Insurance a Mutual Company, ...  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** Commercial Fire  
**Project Name/Number:** DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079

## Filing at a Glance

Companies: Sentry Insurance a Mutual Company  
Middlesex Insurance Company

Product Name: Commercial Fire

State: District of Columbia

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Rate/Rule

Date Submitted: 05/02/2018

SERFF Tr Num: SEPX-131459197

SERFF Status: Submitted to State

State Tr Num:

State Status:

Co Tr Num: FLOOD/QUAKE SBP RATE/RULE

Effective Date 10/01/2018

Requested (New):

Effective Date 10/01/2018

Requested (Renewal):

Author(s): Brenda Saeger

Reviewer(s):

Disposition Date:

Disposition Status:

Effective Date (New):

Effective Date (Renewal):

**State:** District of Columbia **First Filing Company:** Sentry Insurance a Mutual Company, ...  
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## General Information

Project Name: DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - Status of Filing in Domicile:  
01 71 74 - 2018  
Project Number: 005.9956-18079 Domicile Status Comments:  
Reference Organization: ISO Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 05/02/2018  
State Status Changed: Deemer Date:  
Created By: Brenda Saeger Submitted By: Brenda Saeger  
Corresponding Filing Tracking Number:

### Filing Description:

Sentry Insurance A Mutual Company NAIC # 169-24988, FEIN # 39-0333950

Related Form Filing has been submitted under SEPX-131459175.

We will be filing to revise our flood and earthquake offerings by completing the following with a written date of 10/1/2018:

1. Delay Adoption of the new ISO Multistate Flood filings: CF-2017-OFLFR, CF-2017-RFLRU, CF-2017-RFLLC
2. Revise our company forms and rules to remove flood from our optional "Special Broadened Property Coverage" CP 80 26 endorsement. This will involve removing all flood provisions and relying on the ISO flood endorsement in the future as well as removing any flood rules applicable to this endorsement and rely on the ISO rating and rules.
3. Adopting ISO Earthquake filing CF-2013-REQU and all provisions/rules that go along with this filing.
4. Revising Division 5 (Property) Company rule pages to accommodate company rules around flood and earthquake.
5. Revising our Commercial Package rules to indicate that the Package Modification Factor does not apply to flood premium.

For your review of the two filings, we have included revised manual rule pages, form mock up, as well as two explanatory memos for our company exceptions in regard to the Flood and Earthquake revisions.

Thank you.

Brenda Saeger  
Products & Compliance  
Sentry Insurance  
715-346-6143  
brenda.saeger@sentry.com

## Company and Contact

### Filing Contact Information

Brenda Saeger, Product & Compliance Brenda.Saeger@sentry.com  
Analyst Sr.

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**SERFF Tracking #:** SEPX-131459197**State Tracking #:****Company Tracking #:** FLOOD/QUAKE SBP  
RATE/RULE

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Stevens Point, WI 54481715-346-6143 [Phone]  
715-346-6044 [FAX]**Filing Company Information**Sentry Insurance a Mutual  
Company1800 North Point Drive  
Stevens Point, WI 54481

(715) 346-6000 ext. [Phone]

CoCode: 24988

Group Code: 169

Group Name: Sentry Insurance  
Group

FEIN Number: 39-0333950

State of Domicile: Wisconsin

Company Type:

State ID Number:

Middlesex Insurance Company

1800 North Point Drive

Stevens Point, WI 54481

(715) 346-6000 ext. [Phone]

CoCode: 23434

Group Code: 169

Group Name: Sentry Insurance  
Group

FEIN Number: 04-1619070

State of Domicile: Wisconsin

Company Type:

State ID Number:

**Filing Fees**

Fee Required? No

Retaliatory? No

Fee Explanation:

|                             |                                                                       |                              |                                        |                            |                           |
|-----------------------------|-----------------------------------------------------------------------|------------------------------|----------------------------------------|----------------------------|---------------------------|
| <b>SERFF Tracking #:</b>    | SEPX-131459197                                                        | <b>State Tracking #:</b>     |                                        | <b>Company Tracking #:</b> | FLOOD/QUAKE SBP RATE/RULE |
| <b>State:</b>               | District of Columbia                                                  | <b>First Filing Company:</b> | Sentry Insurance a Mutual Company, ... |                            |                           |
| <b>TOI/Sub-TOI:</b>         | 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)     |                              |                                        |                            |                           |
| <b>Product Name:</b>        | Commercial Fire                                                       |                              |                                        |                            |                           |
| <b>Project Name/Number:</b> | DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079 |                              |                                        |                            |                           |

## Rate Information

Rate data does NOT apply to filing.

|                             |                                                                       |                              |                                        |
|-----------------------------|-----------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>State:</b>               | District of Columbia                                                  | <b>First Filing Company:</b> | Sentry Insurance a Mutual Company, ... |
| <b>TOI/Sub-TOI:</b>         | 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)     |                              |                                        |
| <b>Product Name:</b>        | Commercial Fire                                                       |                              |                                        |
| <b>Project Name/Number:</b> | DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079 |                              |                                        |

## Rate/Rule Schedule

| Item No. | Schedule Item Status | Exhibit Name           | Rule # or Page # | Rate Action | Previous State Filing Number | Attachments                   |
|----------|----------------------|------------------------|------------------|-------------|------------------------------|-------------------------------|
| 1        |                      | Company Exception Page | CF-CE-4 thru 18  | Replacement |                              | SBP CF-CE-4 thru 18 10 18.pdf |
| 2        |                      | Company Exception Page | MLCP-CE-2        | Replacement |                              | SBP MLCP-CE-2 10 18 Final.pdf |
| 3        |                      | Company Exception Page | CF-RP-3          | Replacement |                              | SBP CF-RP-3 10 18.pdf         |

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Rule 54. COMMON TIME ELEMENT OPTIONS

Rule 54.B.4.a. is replaced by the following:

- a.** Rule. The rates or loss costs shown in the multistate rates apply only to Public Utilities.

Multiply these rates or loss costs by 2 for risks other than Public Utilities.

Rule 66. LEGAL LIABILITY COVERAGE FORM

Rule 66.F.4. is replaced by the following:

- 4.** Premium Determination. Do not charge for Endorsement CP 04 25.

Rule 72. CAUSES OF LOSS - SPECIAL FORM

Rule 72. C.2. Stock, does not apply.

Rule 74.F Sprinkler Leakage – Earthquake Extension

- a.** Rule 74.F.4.c.(3) is added

**(3)** Blanket Sub-Limit Earthquake Sprinkler – Leakage Coverage

A single blanket sub-limit may be written for property damage coverage and time element coverage for a single location or for multiple locations combined under a policy. For rating instruction on combining property damage coverage with time element coverage, refer to Paragraph 74.F.6.

- b.** Rule 74.F.6 is added

**6.** Rate Determination for Blanket Sub-Limit Earthquake Sprinkler Leakage Coverage

- a.** Determine the 100% values for both property damage and time element coverages. For time element coverage, other than Extra Expense Only, use the annual net income as the 100% value. For Extra Expense Only Coverage, use the Extra Expense limit of insurance for other perils as the 100% value.
- b.** Sum the 100% values for both property damage and time element coverages.
- c.** Divide the blanket sub-limit by the result of (b) to determine the sub-limit percentage
- d.** For each item written under the blanket sub-limit, use the result from (c), the sublimit percentage, to determine the sub-limit factor for that item. For property damage coverages, select the sub-limit factor from Table 74.F.4.c.(1)(a) in the state exceptions. Follow Rule 74.F.4.c.(1)(b) to interpolate sub-limit factors in between percentages shown in the table. For sub-limit percentage less than 10%, use the factor shown for 10% times 1.10. For time element coverages, select a factor from multistate Table 50.E.3.b.#1 or Table 50.E.3.b.#2. Apply a factor of 1.0 when coverage is for Extra Expense Only.

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- e. For each item written under the blanket sub-limit, calculate an earthquake sprinkler-leakage rate from Rule 74.F.5. For time element items, use the earthquake sprinkler-leakage building rate.
- f. For each item written under the blanket sublimit, calculate the earthquake sprinkler leakage sub-limit rate by multiplying the earthquake sprinkler leakage sub-limit factor by the earthquake sprinkler-leakage rate.
- g. For each item written under the blanket sub-limit, multiply the 100% value determined in (a) by the earthquake sub-limit rate determined in (f). Total the results of these calculations.
- h. Divide the total determined in (g) by the result of (b) to determine the earthquake sprinkler-leakage blanket average rate.
- i. Multiply the result of (h) by the blanket sub-limit (in hundreds) to develop the blanket sub-limit premium.

**Rule 76. Flood Coverage Endorsement**

76.C.7.a.(1) is replaced by the following:

- (1) Select the Flood loss cost from Rule 76. In the state rates based on construction and location, including Flood Zone. Loss costs for zone X500 will be capped at 1.5 times the zone X loss costs. Flood zones are based on those applicable to the location under the National Flood Insurance Program (NFIP). The following site can be used as a source of NFIP flood zones:  
<http://msc.fema.gov/portal>.

**Rule 81. DEDUCTIBLE INSURANCE PLAN**

**A.** Rule 81.C.4. is replaced by the following:

- 4. Different deductible amounts may be established for any cause of loss at each location. If a separate deductible amount is chosen, all covered property at that location must be written using the same deductible amount for that cause of loss.

**B.** Rule 81.E. is replaced by the following:

**E. Rate Modification**

- 1. Deductible Factor Determination. Select the deductible rate factor from the Table of Factors.

- a. Specific Insurance. If a separate deductible applies to:

- (1) Windstorm or Hail cause of loss, apply the deductible factor associated with the windstorm or hail dollar deductible amount to the Group II rate. No further modifications should be made to the Group II rate for deductible purposes.
- (2) Theft cause of loss, apply the deductible factor associated with the Theft deductible amount to the Special Causes of Loss rate. No further modifications should be made to the Including Theft rate for deductible purposes.

- b. Blanket Insurance. Deductible factors must then be applied to the 80% coinsurance rate for covered property prior to calculating the blanket average rate.

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**2. Rate Modification**

- a. Multiply the rates contemplating a base deductible of not more than \$500 by the factor shown in the table in this rule.
- b. Do not apply the factor to the rates for any form contemplating a base deductible equal to or exceeding the amount of the deductible determined under this Plan.
- c. When the base deductible exceeds \$500, unless otherwise provided, the deductible factor from the table is increased by one-half the difference between 1.00 and the factor.
- d. When a lower deductible amount applies to a cause of loss subject to this rule, the deductible factor that applies to the rate for that cause of loss is increased by one-half the difference between 1.00 and the deductible factor that would otherwise apply.

**3. Table of Factors for Deductible Coverage**

| <b>Deductible Amount</b> | <b>Deductible Factor</b> |
|--------------------------|--------------------------|
| \$1,000                  | 0.96                     |
| \$2,500                  | 0.90                     |
| \$5,000                  | 0.83                     |
| \$10,000                 | 0.75                     |
| \$25,000                 | 0.63                     |
| \$50,000                 | 0.55                     |
| \$75,000                 | 0.50                     |



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**II. Additional Rules to the Commercial Lines Manual Division Five – Fire and Allied Lines**

**Rule 14-1 CONDITIONS AND SIGNATURES**

- A.** Attach Additional Conditions - Membership and Participation, form 80-2313 to all policies issued by Sentry Insurance A Mutual Company.
- B.** Attach Additional Conditions - Participation, form 80-2314 (MS) to all policies issued by any of the following:
  - 1. Middlesex Insurance Company
  - 2. Patriot General Insurance Company

**Rule 14-2 ADDITIONAL ENDORSEMENTS**

- A.** Attach Personal Property Leased to You, endorsement CP 70 23, to all policies that cover the insured's business personal property.
- B.** Attach Replacement Cost, endorsement CP 70 24, to provide Contingent Replacement Cost coverage to policies that cover building property or business personal property items.

Do not attach CP 70 24 to coverage for property subject to functional valuation.
- C.** Attach Theft Damage to Buildings, endorsement IL 70 11, to all policies that cover personal property against loss by theft.

**Rule 14-3 MULTIPLE LINE OCCURRENCE DEDUCTIBLE**

Attach Multiple Line Occurrence Deductible, endorsement IL 70 26, to all policies.

**Rule 38-3 ADDITIONAL INSURED**

- A.** Description of Coverage. This form is used to include named individuals as insureds under the policy. This form is used when the named individual does not have an interest in all of the property insured by the policy.
- B.** Form. Use Endorsement CP 70 11.

**RULE 38-5 SPECIAL BROADENED PROPERTY COVERAGE**

- A.** Description of Coverage. This form may be used for insureds that have property exposures in addition to those at declared premises. Coverage applies to covered property anywhere in the policy territory, including in transit. The form also provides additional coverage for property at the insured's premises.

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The minimum limits for property away from the specified premises are:

|                                                       |           |
|-------------------------------------------------------|-----------|
| Property at any location                              | \$500,000 |
| Property in Transit in any one Vehicle                | 50,000    |
| Property in the custody of a messengers or a salesmen | 25,000    |
| Property at any exhibition                            | 100,000   |

**B. Form. Use endorsement CP 80 26.**

**C. Rules.**

1. The policy must provide coverage on the insured's business personal property.
2. The Special Causes of Loss Form must apply to all covered property.
3. The Inflation Guard option must apply to all covered buildings.

**D. Optional Coverages**

1. Increased Limits. Endorsement CP 80 26 covers the following exposures indicated below. Increased coverage may be activated by an appropriate entry in the Declarations. Refer to Section E of this rule for premium instructions.

|                                                 |           |
|-------------------------------------------------|-----------|
| a. Debris Removal                               | \$ 50,000 |
| b. Pollutant Clean-up and Removal               | 100,000   |
| c. Newly Acquired or Constructed Building       | 1,500,000 |
| d. Business Income - Newly Acquired Locations   | 500,000*  |
| e. Sewer Back Up or Underground Seepage         | 25,000    |
| f. Humidity, Temperature, Marring or Scratching | 25,000    |
| g. Property in the Open                         | 10,000    |
| h. Industrial Diamonds and Precious Metals      | 25,000    |

2. Demolition Cost. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.
3. Increased Cost of Construction. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.
4. Valuable Papers (Other than Electronic Data). Coverage is subject to the Direct Loss Blanket Limit. Use the increased limit option described in CLM Division Five and Valuable Papers rates determined in accordance with CLM Division Eight to provide specific additional coverage.
5. Civil Authority.\* Coverage is provided for 30 days. Use the procedures and factors described in CLM Division Five to provide coverage for longer periods.
6. Extended Business Income.\* Coverage is provided for 90 days. Use the procedures described in CLM Division Five and the rate factors in section E of this rule to provide coverage for longer periods.
7. Business Income From Dependent Property.\* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.
8. Business Income From Interruption of Utility Services.\* Coverage is subject to the Indirect Loss Blanket Limit. Use the Time Element Utility Services option described in CLM Division Five to provide specific additional coverage.

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9. Business Income Resulting From Damage to Property Away from Described Premises.\* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.

\*Available only if policy includes business income coverage form.

**E. Premium Determination**

**1. Property at fixed locations**

- a. Buildings. Use rates and rules from Commercial Lines Manual Division 5.  
b. Personal property

- (1) Use rates and rules from Commercial Lines Manual Division 5.  
(2) Charge an additional premium for the policy. No other rating factors (deviations, deductible factors, PMF's, IRPM, etc.) apply to the additional premium.

| <u>TOTAL AMOUNT OF<br/>PERSONAL PROPERTY<br/>AT ALL PREMISES</u> | <u>WITHOUT<br/>BUSINESS<br/>INCOME</u> | <u>INCLUDING<br/>BUSINESS<br/>INCOME</u> |
|------------------------------------------------------------------|----------------------------------------|------------------------------------------|
| Less than \$100,000                                              | \$ 215                                 | \$ 290                                   |
| 100,000 - 299,999                                                | 300                                    | 375                                      |
| 300,000 - 499,999                                                | 350                                    | 425                                      |
| 500,000 - 749,999                                                | 495                                    | 570                                      |
| 750,000 - 999,999                                                | 555                                    | 630                                      |
| 1,000,000 - 1,999,999                                            | 585                                    | 660                                      |
| 2,000,000 or more                                                | 645                                    | 720                                      |

**2. Personal property not at fixed locations**

- a. Minimum limits. Included in additional premium charge from 1.b.(2) above; make no further adjustments.  
b. Increased limits. Increase additional premium charge from 1.b.(2) above by the amount from the table below.

- (1) Property at any location

| <u>TOTAL AMOUNT OF<br/>PERSONAL<br/>PROPERTY<br/>AT ALL PREMISES<br/>AT ALL INCEPTION</u> | <u>Increased Limits</u>    |                            |                            |                            |                            |                              |                                |                                 |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|---------------------------------|
|                                                                                           | <u>More Than<br/>Up To</u> | <u>500,000<br/>600,000</u> | <u>600,000<br/>700,000</u> | <u>700,000<br/>800,000</u> | <u>800,000<br/>900,000</u> | <u>900,000<br/>1,000,000</u> | <u>1,000,000<br/>1,500,000</u> | <u>1,500,000<br/>2,000,000*</u> |
| Less than 100,000                                                                         |                            | \$7                        | \$13                       | \$19                       | \$25                       | \$32                         | \$60                           | \$87                            |
| 100,000 - 299,999                                                                         |                            | 8                          | 16                         | 23                         | 31                         | 39                           | 73                             | 106                             |
| 300,000 - 499,999                                                                         |                            | 10                         | 19                         | 28                         | 37                         | 46                           | 86                             | 125                             |
| 500,000 - 749,999                                                                         |                            | 11                         | 22                         | 33                         | 43                         | 53                           | 101                            | 147                             |
| 750,000 - 999,999                                                                         |                            | 13                         | 26                         | 38                         | 50                         | 62                           | 117                            | 171                             |
| 1,000,000 - 1,999,999                                                                     |                            | 18                         | 35                         | 51                         | 68                         | 84                           | 159                            | 231                             |
| 2,000,000 or more                                                                         |                            | 29                         | 56                         | 83                         | 110                        | 137                          | 258                            | 375                             |

**SENTRY INSURANCE A MUTUAL COMPANY  
MIDDLESEX INSURANCE COMPANY  
PATRIOT GENERAL INSURANCE COMPANY  
CF-CE-9**

**Edition 10-18**

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**(2) In any one vehicle/vessel**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br><u>AT ALL INCEPTION</u> | More Than<br>Up To | Increased Limits         |                           |                           |                            |
|--------------------------------------------|--------------------|--------------------------|---------------------------|---------------------------|----------------------------|
|                                            |                    | 50,000<br><u>100,000</u> | 100,000<br><u>150,000</u> | 150,000<br><u>200,000</u> | 200,000<br><u>250,000*</u> |
| Less than 100,000                          |                    | \$24                     | \$44                      | \$63                      | \$81                       |
| 100,000 - 299,999                          |                    | 29                       | 53                        | 76                        | 99                         |
| 300,000 - 499,999                          |                    | 34                       | 63                        | 90                        | 117                        |
| 500,000 - 749,999                          |                    | 39                       | 73                        | 105                       | 136                        |
| 750,000 - 999,999                          |                    | 46                       | 85                        | 123                       | 159                        |
| 1,000,000 - 1,999,999                      |                    | 62                       | 116                       | 166                       | 215                        |
| 2,000,000 or more                          |                    | 101                      | 188                       | 270                       | 350                        |

**(3) In the custody of messengers and salesmen**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br><u>AT ALL INCEPTION</u> | More Than<br>Up To | Increased Limits        |                          |                           |                           |                            |
|--------------------------------------------|--------------------|-------------------------|--------------------------|---------------------------|---------------------------|----------------------------|
|                                            |                    | 25,000<br><u>50,000</u> | 50,000<br><u>100,000</u> | 100,000<br><u>150,000</u> | 150,000<br><u>200,000</u> | 200,000<br><u>250,000*</u> |
| Less than 100,000                          |                    | \$7                     | \$18                     | \$28                      | \$38                      | \$47                       |
| 100,000 - 299,999                          |                    | 9                       | 23                       | 35                        | 47                        | 58                         |
| 300,000 - 499,999                          |                    | 9                       | 26                       | 41                        | 54                        | 68                         |
| 500,000 - 749,999                          |                    | 12                      | 31                       | 48                        | 64                        | 80                         |
| 750,000 - 999,999                          |                    | 13                      | 36                       | 56                        | 76                        | 93                         |
| 1,000,000 - 1,999,999                      |                    | 18                      | 49                       | 76                        | 101                       | 125                        |
| 2,000,000 or more                          |                    | 29                      | 79                       | 123                       | 184                       | 204                        |

**(4) At any exhibition**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br><u>AT ALL INCEPTION</u> | More Than<br>Up To | Increased Limits          |                           |                            |
|--------------------------------------------|--------------------|---------------------------|---------------------------|----------------------------|
|                                            |                    | 100,000<br><u>150,000</u> | 150,000<br><u>200,000</u> | 200,000<br><u>250,000*</u> |
| Less than 100,000                          |                    | \$4                       | \$7                       | \$10                       |
| 100,000 - 299,999                          |                    | 4                         | 9                         | 13                         |
| 300,000 - 499,999                          |                    | 5                         | 10                        | 15                         |
| 500,000 - 749,999                          |                    | 6                         | 12                        | 18                         |
| 750,000 - 999,999                          |                    | 7                         | 14                        | 21                         |
| 1,000,000 - 1,999,999                      |                    | 10                        | 19                        | 28                         |
| 2,000,000 or more                          |                    | 16                        | 30                        | 45                         |

\*Use established Inland Marine underwriting procedures to determine additional premium for limits in excess of those in the table.

**SENTRY INSURANCE A MUTUAL COMPANY  
MIDDLESEX INSURANCE COMPANY  
PATRIOT GENERAL INSURANCE COMPANY  
CF-CE-10**

**Edition 10-18**

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**3. Optional coverages**

**a. Increased limits.**

- (1) Debris Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (2) Pollutant Clean Up and Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (3) Newly Acquired or Constructed Buildings. No charge.
- (4) Business Income - Newly Acquired Locations. No charge.
- (5) Sewer Back Up or Underground Seepage. Charge \$.01 per \$100 for limits in excess of standard limit.
- (6) Humidity, Temperature, Marring or Scratching. Charge \$0.05 per \$100 for limits in excess of standard limit.
- (7) Property in the Open. Charge \$.25 per \$100 for limits in excess of standard limit.
- (8) Industrial Diamonds and Precious Metals. Charge \$.10 per \$100 for limits in excess of standard limit.

**b. Extended Business Income. Use the following factors for longer periods.**

| <b>Coverage Period (in days)</b> | <b>Factor</b> |
|----------------------------------|---------------|
| 120                              | 1.05          |
| 150                              | 1.10          |
| 180                              | 1.20          |
| 270                              | 1.25          |
| 365                              | 1.30          |
| 450                              | 1.35          |
| 540                              | 1.40          |
| 630                              | 1.45          |
| 730                              | 1.50          |

- c.** Business Income from Dependent Property. Charge \$.15 per \$100 for specific coverage.
- d.** Business Income Resulting From Damages to Property Away From Described Premises. Charge \$1.00 per \$100 for specific coverage.

**Rule 38-6 CUSTOMERS' PATTERNS, DIES, AND MOLDS**

- A.** Description of coverage. This form may be used to cover patterns, dies and molds that belong to the insured's customers. Coverage is excess over any other coverage that applies to the property.
- B.** FORM. Use endorsement CP 80 31.
- C.** RULES
  1. The minimum limit of insurance is \$100,000.
  2. The Special Causes of Loss Form must apply to all covered property.

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- D. PREMIUM DETERMINATION.** Multiply the limit of insurance by the applicable rate (per \$100 of insurance).

|                         | <u>Rate</u> |
|-------------------------|-------------|
| Sprinklered Premises    | \$ .05      |
| Nonsprinklered Premises | .10         |

**Rule 38-7 RESERVED FOR FUTURE USE**

**Rule 38-8 ELECTRONIC MEDIA AND RECORDS COVERAGE**

- A.** Description of Coverage. This form is used when electronic media and records are insured as a separate item.
- B.** Form. Use endorsements CP 70 43.
- C.** Rule. The Causes of Loss Special Form must apply to covered property.
- D.** Rate. Multiply the Basic Group 1 rate that applies to personal property at the premises by 1.82.
- E.** Premium Determination. Multiply the limit of insurance by the rate.

**Rule 38-9 EMPLOYEE PROPERTY**

- A.** Description of Coverage. This endorsement is used to provide coverage on employee-owned tools used in the insured's business. Coverage applies at the insured's premises and elsewhere.

A separate deductible applies to each employee if employee property is the only property damaged in an occurrence. The property occurrence deductible applies in other situations.

- B.** Form. Use endorsement CP 80 06.
- C.** Premium Determination. Multiply the Employee Property limit by the personal property Basic Group 1, Group 2, and Special Form rates.

**Rule 51-2 ANNUAL BUSINESS INCOME**

- A.** Description of Coverage. This form changes Business Income coverage to provide coverage for a period of 12 months after the date of direct physical loss or damage. No specific limit of insurance or coinsurance percentage is displayed in the Declarations.
- B.** Form. Use Endorsement CP 70 26.
- C.** Ineligibility. Do not use CP 70 26 when:
  - 1. The Monthly Limit of Insurance option is applicable.
  - 2. The Maximum Period of Indemnity option is applicable.
  - 3. The Ordinary Payroll Limitation or Exclusion is applicable.
  - 4. The Discretionary Payroll Option is applicable.

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**D. Premium Determination.**

- 1. Annual Business Income Exposure.** Multiply the annual sales by the appropriate factor from the table below to determine the Annual Business Income exposure. (For Rental Properties/Private Warehouses, multiply the building value by the rental property factor.)

**a) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .14 |
| Manufacturing                     | .33 |
| Rental Property/Private Warehouse | .17 |

**b) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .13 |
| Manufacturing                     | .30 |
| Rental Property/Private Warehouse | .15 |

- 2. Rate Modification.** Multiply the base rate by the appropriate factor from the table below. Exception: do not apply the following Rate Modifications to the Special Cause of Loss base rate. Use the factor applicable to the insured's principal business. For combined operations, determine a weighted factor as described in Rule 50.E.1.c.

**a) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .50 |
| Manufacturing                     | .66 |
| Rental Property/Private Warehouse | .47 |

**b) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .46 |
| Manufacturing                     | .60 |
| Rental Property/Private Warehouse | .43 |

- 3. Multiply the exposure by the modified rate.**

**E. Optional Coverage Periods**

**1. 6 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .07 |
| Manufacturing                     | .17 |
| Rental Property/Private Warehouse | .09 |

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**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .06 |
| Manufacturing                     | .15 |
| Rental Property/Private Warehouse | .08 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |      |
|-----------------------------------|------|
| Mercantile/Non-Manufacturing      | .76  |
| Manufacturing                     | 1.00 |
| Rental Property/Private Warehouse | .72  |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .69 |
| Manufacturing                     | .90 |
| Rental Property/Private Warehouse | .65 |

**2. 9 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .11 |
| Manufacturing                     | .25 |
| Rental Property/Private Warehouse | .13 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .10 |
| Manufacturing                     | .23 |
| Rental Property/Private Warehouse | .11 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .64 |
| Manufacturing                     | .81 |
| Rental Property/Private Warehouse | .59 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .58 |
| Manufacturing                     | .73 |
| Rental Property/Private Warehouse | .54 |



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**3. 18 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .21 |
| Manufacturing                     | .50 |
| Rental Property/Private Warehouse | .26 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .19 |
| Manufacturing                     | .45 |
| Rental Property/Private Warehouse | .23 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .43 |
| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

**4. 24 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .28 |
| Manufacturing                     | .66 |
| Rental Property/Private Warehouse | .34 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .25 |
| Manufacturing                     | .60 |
| Rental Property/Private Warehouse | .30 |

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**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .43 |
| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

**Rule 74-1 EQUIPMENT BREAKDOWN COVERAGE**

- A. Description of Coverage.** Equipment Breakdown Coverage will be added to all policies to insure Covered Property against loss resulting from pressure vessels, electrical damage, and mechanical breakdown.
- B. Forms**
1. Attach endorsement CP 70 47 to policies that contain the Causes of Loss Special Form.
  2. Optional endorsement CP 70 54 will be attached to policies where the equipment breakdown deductible amount is different from the property deductible amount.
  3. Other endorsements may be attached as appropriate.
- C. Coverage Options**
1. Increased Consequential Loss Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
  2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.012/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .43 |
| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

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  2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.005/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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| <b>2 Digit NAIC Codes and Description</b>       | <b>Mfg or Non-Mfg</b> | <b>Exceptions to 2 Digit NAIC Codes</b>                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 Agriculture/Farming/Growing/Livestock        | Mfg                   | 115112 Soil Preparation<br>115113 Crop Harvesting by Machine<br>115114 Post Crop Harvest Activities<br>115115 Farm Labor Contractors<br>115116 Farm Management Services<br>115210 Livestock Services excl Vet                                         |
| 21 Mining/Quarrying,                            | Mfg                   |                                                                                                                                                                                                                                                       |
| 22 Utility Services and Generation              | Mfg                   |                                                                                                                                                                                                                                                       |
| 23 Construction/Trade Contractors               | Non-Mfg               | 237120 Oil & Gas Pipeline Construct                                                                                                                                                                                                                   |
| 31 Food/Beverage/Textile Production             | Mfg                   |                                                                                                                                                                                                                                                       |
| 32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg | Mfg                   |                                                                                                                                                                                                                                                       |
| 33 Machinery/Equipment/Metal/Durable Item Mfg,  | Mfg                   | 339116 Dental Laboratories                                                                                                                                                                                                                            |
| 42 Durable Merchants and Wholesalers            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 44 Consumer Non-Durable Retailers and Dealers   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 45 Department, Specialty Retail Stores          | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 48 Transportation Op.s-Air/Water/Road/Rail/Pipe | Non_Mfg               | 486110 Crude Oil Pipelines<br>486910 Refined Oil Pipelines<br>486990 Pipelines – All Other<br>486210 Natural Gas Pipelines                                                                                                                            |
| 49 Delivery, Courier, and Warehouse Operations  | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 51 Communication Medias– Book/Radio/TV/Etc      | Non-Mfg               | 511110 Newspaper Publisher<br>511120 Periodical Publishers<br>511130Book Publishers<br>511191 Greeting Card Publishers<br>511199 Publishers All Other<br>512230 Music Publishers<br>512220 Record/Tape/Disk Mfg/Distrib<br>511210 Software Publishers |
| 52 Financial Institutions/Operations            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 53 Real Estate/Rentals/Leasing Operations       | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 54 Services- Professional/Research/Agencies     | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 55 Offices for Holding Companies/Corporations   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 56 Business Services                            | Non-Mfg               | 562211 Hazardous Waste Disposal<br>562212 Solid Waste Landfill<br>562213 Solid Waste Incinerators<br>562219 Nonhazardous Waste Handle<br>562920 Materials Recovery Facilities<br>562910 Remediation Services<br>562998 All Other Waste Services       |
| 61 Schools and Training Centers                 | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 62 Medical/Health/Wellness Services and Centers | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 71 Recreation/Arts/Entertainment Operations     | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 72 Food/Restaurant/Lodging/Bars/Camping         | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 81 Repair & Service Shops/Organizations/Church  | Non-Mfg               | 812921 Photofinishing Lab<br>812922 1 Hour Photofinishing Lab                                                                                                                                                                                         |
| 92 Governmental Institutions                    | Non-Mfg               |                                                                                                                                                                                                                                                       |

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COMPANY EXCEPTION PAGE**

| <b>2 Digit NAIC Codes and Description</b>       | <b>Mfg or Non-Mfg</b> | <b>Exceptions to 2 Digit NAIC Codes</b>                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 Agriculture/Farming/Growing/Livestock        | Mfg                   | 115112 Soil Preparation<br>115113 Crop Harvesting by Machine<br>115114 Post Crop Harvest Activities<br>115115 Farm Labor Contractors<br>115116 Farm Management Services<br>115210 Livestock Services excl Vet                                         |
| 21 Mining/Quarrying,                            | Mfg                   |                                                                                                                                                                                                                                                       |
| 22 Utility Services and Generation              | Mfg                   |                                                                                                                                                                                                                                                       |
| 23 Construction/Trade Contractors               | Non-Mfg               | 237120 Oil & Gas Pipeline Construct                                                                                                                                                                                                                   |
| 31 Food/Beverage/Textile Production             | Mfg                   |                                                                                                                                                                                                                                                       |
| 32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg | Mfg                   |                                                                                                                                                                                                                                                       |
| 33 Machinery/Equipment/Metal/Durable Item Mfg,  | Mfg                   | 339116 Dental Laboratories                                                                                                                                                                                                                            |
| 42 Durable Merchants and Wholesalers            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 44 Consumer Non-Durable Retailers and Dealers   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 45 Department, Specialty Retail Stores          | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 48 Transportation Op.s-Air/Water/Road/Rail/Pipe | Non_Mfg               | 486110 Crude Oil Pipelines<br>486910 Refined Oil Pipelines<br>486990 Pipelines – All Other<br>486210 Natural Gas Pipelines                                                                                                                            |
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| 54 Services- Professional/Research/Agencies     | Non-Mfg               |                                                                                                                                                                                                                                                       |
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| 71 Recreation/Arts/Entertainment Operations     | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 72 Food/Restaurant/Lodging/Bars/Camping         | Non-Mfg               |                                                                                                                                                                                                                                                       |
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Multiply the limit of insurance for subject property by the Equipment Breakdown rate.

2. No premium charge is required for the following property:
  - a) Property under construction
  - b) Property in the open and outdoor property
  - c) Property of others
  - d) Household property
  - e) Property at undeclared locations
3. Increased Consequential Loss Limit. Refer to reinsurance company for adjusted rates.
4. Increased Refrigeration Contamination Limit. Refer to reinsurance company for adjusted rates.
5. Equipment Breakdown Rate. The above Manufacturing or Non-manufacturing rate will be increased to reflect the following (when applicable):
  - a) Increased Consequential Loss Limit
  - b) Increased Refrigeration Contamination Limit
  - c) Cost of facultative reinsurance

**Rule 74-2** Reserved for future use.

**Rule 74-3 FALSE PRETENSE COVERAGE**

- A. Description of Coverage. This coverage applies to property the insured rents or leases to another party and to property temporarily away from the insured's premises for demonstration or trial. The Voluntary Parting exclusion does not apply to this property when False Pretense Coverage is written.
- B. Limit of Insurance. The limit of insurance will be displayed in the declarations; limits available are \$25,000, \$50,000 or \$100,000 per occurrence.
- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

|    | <u>LIMIT</u> | <u>RATE</u> |
|----|--------------|-------------|
| \$ | 25,000       | \$ 1.50     |
|    | 50,000       | 2.00        |
|    | 100,000      | 2.25        |

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Multiply the limit of insurance for subject property by the Equipment Breakdown rate.

2. No premium charge is required for the following property:
  - a) Property under construction
  - b) Property in the open and outdoor property
  - c) Property of others
  - d) Household property
  - e) Property at undeclared locations
3. Increased Consequential Loss Limit. Refer to reinsurance company for adjusted rates.
4. Increased Refrigeration Contamination Limit. Refer to reinsurance company for adjusted rates.
5. Equipment Breakdown Rate. The above Manufacturing or Non-manufacturing rate will be increased to reflect the following (when applicable):
  - a) Increased Consequential Loss Limit
  - b) Increased Refrigeration Contamination Limit
  - c) Cost of facultative reinsurance

**Rule 74-2** Reserved for future use.

**Rule 74-3 FALSE PRETENSE COVERAGE**

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- B. Limit of Insurance. The limit of insurance will be displayed in the declarations; limits available are \$25,000, \$50,000 or \$100,000 per occurrence.
- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

|    | <u>LIMIT</u> | <u>RATE</u> |
|----|--------------|-------------|
| \$ | 25,000       | \$ 1.50     |
|    | 50,000       | 2.00        |
|    | 100,000      | 2.25        |

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f. Minimum rates and premiums.

g. Dwelling properties that contain fewer than five dwelling units. However, this rule does not apply to property that is part of an apartment or condominium project.

Rule 8.B does not apply to dwelling properties that contain fewer than five dwelling units unless the property is part of an apartment or condominium project.

h. Customers' Patterns, Dies and Molds Coverage.

i. Commercial Property Flood Coverage

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**SENTRY INSURANCE A MUTUAL COMPANY  
MIDDLESEX INSURANCE COMPANY  
PATRIOT GENERAL INSURANCE COMPANY  
SENTRY LLOYDS OF TEXAS  
MLCP-CE-2**



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**B. Eligibility**

1. The Scorecard and schedule rating plans will apply to all property policy types on an account, whether written on a package or monoline basis, except for the following coverages and rating plans, if included within an eligible policy type:
  - a. Equipment Breakdown, Earthquake, Flood, Mine Subsidence, Highly Protected Risks and Terrorism.
  - b. Coverages rated at minimum premium.
  - c. Coverages subject to a flat charge or rated using a percentage of premium that is modified by scorecard or schedule rating factors.
  - d. The hurricane load portion of BGII
2. There is no premium eligibility requirement under the Scorecard and schedule rating plans.

**C. Scorecard Rating Plan – Rating Procedure**

1. Using various characteristics of the account, the Scorecard model will assign a Price Point, with a corresponding rating factor.
2. Eligibility for Scorecard is determined at policy inception.
3. Apply the rating factors determined in C.1. to all the applicable eligible coverages.
4. Do not adjust the rating factor during the policy term due to mid-term changes; all changes during the policy term will be applied to the subsequent renewal.
5. Experience Rating does not apply to Scorecard eligible risks.

**D. Schedule Rating Plan – Rating Procedure**

1. The manual rates will be further modified in accordance with the schedule rating table below. The schedule modification reflects individual account characteristics not reflected or included in the Scorecard Rating Plan.

| Risk Characteristics                                                                                                        | Maximum Credit |    | Maximum Debit |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|----|---------------|
| A. Location <ul style="list-style-type: none"><li>inside or outside exposures</li></ul>                                     | 10%            | to | 10%           |
| B. Premises <ul style="list-style-type: none"><li>condition and care</li></ul>                                              | 10%            | to | 10%           |
| C. Equipment <ul style="list-style-type: none"><li>type, condition, or handling</li></ul>                                   | 10%            | to | 10%           |
| D. Employees <ul style="list-style-type: none"><li>selection, training, supervision or experience</li></ul>                 | 10%            | to | 10%           |
| E. Safety Organization                                                                                                      | 20%            | to | 20%           |
| F. Classification or Account Peculiarities                                                                                  | 10%            | to | 10%           |
| G. Dispersion or Concentration of Insured Values                                                                            | 20%            | to | 20%           |
| H. Management <ul style="list-style-type: none"><li>cooperation with the insurance company or business experience</li></ul> | 10%            | to | 10%           |

2. The maximum schedule credit and the maximum schedule debit under the schedule rating plan shall not exceed +25 / -25%, unless otherwise noted in the state exception pages.
3. The schedule rating plan will be calculated and applied uniformly to each eligible coverage.

|                             |                                                                       |                              |                                        |
|-----------------------------|-----------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>State:</b>               | District of Columbia                                                  | <b>First Filing Company:</b> | Sentry Insurance a Mutual Company, ... |
| <b>TOI/Sub-TOI:</b>         | 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)     |                              |                                        |
| <b>Product Name:</b>        | Commercial Fire                                                       |                              |                                        |
| <b>Project Name/Number:</b> | DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079 |                              |                                        |

## Supporting Document Schedules

|                         |                          |
|-------------------------|--------------------------|
| <b>Bypassed - Item:</b> | Consulting Authorization |
| <b>Bypass Reason:</b>   | N/A                      |
| <b>Attachment(s):</b>   |                          |
| <b>Item Status:</b>     |                          |
| <b>Status Date:</b>     |                          |

|                         |                               |
|-------------------------|-------------------------------|
| <b>Bypassed - Item:</b> | Actuarial Certification (P&C) |
| <b>Bypass Reason:</b>   | N/A                           |
| <b>Attachment(s):</b>   |                               |
| <b>Item Status:</b>     |                               |
| <b>Status Date:</b>     |                               |

|                         |                                                                            |
|-------------------------|----------------------------------------------------------------------------|
| <b>Bypassed - Item:</b> | District of Columbia and Countrywide Experience for the Last 5 Years (P&C) |
| <b>Bypass Reason:</b>   | N/A                                                                        |
| <b>Attachment(s):</b>   |                                                                            |
| <b>Item Status:</b>     |                                                                            |
| <b>Status Date:</b>     |                                                                            |

|                         |                                                                |
|-------------------------|----------------------------------------------------------------|
| <b>Bypassed - Item:</b> | District of Columbia and Countrywide Loss Ratio Analysis (P&C) |
| <b>Bypass Reason:</b>   | N/A                                                            |
| <b>Attachment(s):</b>   |                                                                |
| <b>Item Status:</b>     |                                                                |
| <b>Status Date:</b>     |                                                                |

|                          |                                             |
|--------------------------|---------------------------------------------|
| <b>Satisfied - Item:</b> | Filing memorandum - EQ and EQSL             |
| <b>Comments:</b>         |                                             |
| <b>Attachment(s):</b>    | Filing Memoradum -- Earthquake and EQSL.pdf |
| <b>Item Status:</b>      |                                             |
| <b>Status Date:</b>      |                                             |

|                          |                                     |
|--------------------------|-------------------------------------|
| <b>Satisfied - Item:</b> | Markup CE-4-thru 18                 |
| <b>Comments:</b>         |                                     |
| <b>Attachment(s):</b>    | Mark Up CF-CE-4 thru 18 SBP-REG.pdf |
| <b>Item Status:</b>      |                                     |
| <b>Status Date:</b>      |                                     |

|                             |                                                                       |                              |                                        |
|-----------------------------|-----------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>State:</b>               | District of Columbia                                                  | <b>First Filing Company:</b> | Sentry Insurance a Mutual Company, ... |
| <b>TOI/Sub-TOI:</b>         | 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)     |                              |                                        |
| <b>Product Name:</b>        | Commercial Fire                                                       |                              |                                        |
| <b>Project Name/Number:</b> | DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079 |                              |                                        |

|                          |                                     |
|--------------------------|-------------------------------------|
| <b>Satisfied - Item:</b> | Markup MLCP-CE-2                    |
| <b>Comments:</b>         |                                     |
| <b>Attachment(s):</b>    | Mark Up MLCP-CE-2 10 18 SBP-REG.pdf |
| <b>Item Status:</b>      |                                     |
| <b>Status Date:</b>      |                                     |

|                          |                                                    |
|--------------------------|----------------------------------------------------|
| <b>Satisfied - Item:</b> | Mark Up CF-RP-3                                    |
| <b>Comments:</b>         |                                                    |
| <b>Attachment(s):</b>    | SBP Mark up CF-RP-3 8 17 to 10 18 Flood change.pdf |
| <b>Item Status:</b>      |                                                    |
| <b>Status Date:</b>      |                                                    |

## **Filing Memorandum – Earthquake and Earthquake Sprinkler Leakage**

We are making this filing to adopt rule changes outlined in ISO circular CF-2013-REQRU.

We are also making a company exception filing for new rules that are added to provide Earthquake Sprinkler Leakage coverage on a blanket sublimit basis over both Property Damage and Time Element items. The new rules are 74.F.4.c.(3) and 74.F.6 that will be added to Division Five manual.

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Rule 54. COMMON TIME ELEMENT OPTIONS

Rule 54.B.4.a. is replaced by the following:

- a. Rule. The rates or loss costs shown in the multistate rates apply only to Public Utilities.

Multiply these rates or loss costs by 2 for risks other than Public Utilities.

Rule 66. LEGAL LIABILITY COVERAGE FORM

Rule 66.F.4. is replaced by the following:

4. Premium Determination. Do not charge for Endorsement CP 04 25.

Rule 72. CAUSES OF LOSS - SPECIAL FORM

Rule 72. C.2. Stock, does not apply.

Rule 74.F Sprinkler Leakage – Earthquake Extension

a. Rule 74.F.4.c.(3) is added

(3) Blanket Sub-Limit Earthquake Sprinkler – Leakage Coverage

A single blanket sub-limit may be written for property damage coverage and time element coverage for a single location or for multiple locations combined under a policy. For rating instruction on combining property damage coverage with time element coverage, refer to Paragraph 74.F.6.

b. Rule 74.F.6 is added

6. Rate Determination for Blanket Sub-Limit Earthquake Sprinkler Leakage Coverage

- a. Determine the 100% values for both property damage and time element coverages. For time element coverage, other than Extra Expense Only, use the annual net income as the 100% value. For Extra Expense Only Coverage, use the Extra Expense limit of insurance for other perils as the 100% value.
- b. Sum the 100% values for both property damage and time element coverages.
- c. Divide the blanket sub-limit by the result of (b) to determine the sub-limit percentage
- d. For each item written under the blanket sub-limit, use the result from (c), the sublimit percentage, to determine the sub-limit factor for that item. For property damage coverages, select the sub-limit factor from Table 74.F.4.c.(1)(a) in the state exceptions. Follow Rule 74.F.4.c.(1)(b) to interpolate sub-limit factors in between percentages shown in the table. For sub-limit percentage less than 10%, use the factor shown for 10% times 1.10. For time element coverages, select a factor from multistate Table 50.E.3.b.#1 or Table 50.E.3.b.#2. Apply a factor of 1.0 when coverage is for Extra Expense Only.
- e. For each item written under the blanket sub-limit, calculate an earthquake sprinkler-leakage rate from Rule 74.F.5. For time element items, use the earthquake sprinkler-leakage building rate.
- f. For each item written under the blanket sublimit, calculate the earthquake sprinkler leakage sub-limit rate by multiplying the earthquake sprinkler leakage sub-limit factor by the earthquake sprinkler-leakage rate.
- g. For each item written under the blanket sub-limit, multiply the 100% value determined in (a) by the earthquake sub-limit rate determined in (f). Total the results of these calculations.
- h. Divide the total determined in (g) by the result of (b) to determine the earthquake sprinkler-leakage blanket average rate.
- i. Multiply the result of (h) by the blanket sub-limit (in hundreds) to develop the blanket sub-limit premium.

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Rule 76. Flood Coverage Endorsement

76.C.7.a.(1) is replaced by the following:

(1) Select the Flood loss cost from Rule 76. In the state rates based on construction and location, including Flood Zone. Loss costs for zone X500 will be capped at 1.5 times the zone X loss costs. Flood zones are based on those applicable to the location under the National Flood Insurance Program (NFIP). The following site can be used as a source of NFIP flood zones: <http://msc.fema.gov/portal>.

**Rule 81. DEDUCTIBLE INSURANCE PLAN**

**A.** Rule 81.C.4. is replaced by the following:

- 4.** Different deductible amounts may be established for any cause of loss at each location. If a separate deductible amount is chosen, all covered property at that location must be written using the same deductible amount for that cause of loss.

**B.** Rule 81.E. is replaced by the following:

**E.** Rate Modification

- 1.** Deductible Factor Determination. Select the deductible rate factor from the Table of Factors.

**a.** Specific Insurance. If a separate deductible applies to:

- (1)** Windstorm or Hail cause of loss, apply the deductible factor associated with the windstorm or hail dollar deductible amount to the Group II rate. No further modifications should be made to the Group II rate for deductible purposes.
- (2)** Theft cause of loss, apply the deductible factor associated with the Theft deductible amount to the Special Causes of Loss rate. No further modifications should be made to the Including Theft rate for deductible purposes.

**b.** Blanket Insurance. Deductible factors must then be applied to the 80% coinsurance rate for covered property prior to calculating the blanket average rate.

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**2. Rate Modification**

- a. Multiply the rates contemplating a base deductible of not more than \$500 by the factor shown in the table in this rule.
- b. Do not apply the factor to the rates for any form contemplating a base deductible equal to or exceeding the amount of the deductible determined under this Plan.
- c. When the base deductible exceeds \$500, unless otherwise provided, the deductible factor from the table is increased by one-half the difference between 1.00 and the factor.
- d. When a lower deductible amount applies to a cause of loss subject to this rule, the deductible factor that applies to the rate for that cause of loss is increased by one-half the difference between 1.00 and the deductible factor that would otherwise apply.

**3. Table of Factors for Deductible Coverage**

| <b>Deductible Amount</b> | <b>Deductible Factor</b> |
|--------------------------|--------------------------|
| \$1,000                  | 0.96                     |
| \$2,500                  | 0.90                     |
| \$5,000                  | 0.83                     |
| \$10,000                 | 0.75                     |
| \$25,000                 | 0.63                     |
| \$50,000                 | 0.55                     |
| \$75,000                 | 0.50                     |

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**II. Additional Rules to the Commercial Lines Manual Division Five – Fire and Allied Lines**

**Rule 14-1 CONDITIONS AND SIGNATURES**

- A.** Attach Additional Conditions - Membership and Participation, form 80-2313 to all policies issued by Sentry Insurance A Mutual Company.
- B.** Attach Additional Conditions - Participation, form 80-2314 (MS) to all policies issued by any of the following:
  - 1. Middlesex Insurance Company
  - 2. Patriot General Insurance Company

**Rule 14-2 ADDITIONAL ENDORSEMENTS**

- A.** Attach Personal Property Leased to You, endorsement CP 70 23, to all policies that cover the insured's business personal property.
- B.** Attach Replacement Cost, endorsement CP 70 24, to provide Contingent Replacement Cost coverage to policies that cover building property or business personal property items.

Do not attach CP 70 24 to coverage for property subject to functional valuation.
- C.** Attach Theft Damage to Buildings, endorsement IL 70 11, to all policies that cover personal property against loss by theft.

**Rule 14-3 MULTIPLE LINE OCCURRENCE DEDUCTIBLE**

Attach Multiple Line Occurrence Deductible, endorsement IL 70 26, to all policies.

**Rule 38-3 ADDITIONAL INSURED**

- A.** Description of Coverage. This form is used to include named individuals as insureds under the policy. This form is used when the named individual does not have an interest in all of the property insured by the policy.
- B.** Form. Use Endorsement CP 70 11.

**RULE 38-5 SPECIAL BROADENED PROPERTY COVERAGE**

- A.** Description of Coverage. This form may be used for insureds that have property exposures in addition to those at declared premises. Coverage applies to covered property anywhere in the policy territory, including in transit. The form also provides additional coverage for property at the insured's premises.



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The minimum limits for property away from the specified premises are:

|                                                       |           |
|-------------------------------------------------------|-----------|
| Property at any location                              | \$500,000 |
| Property in Transit in any one Vehicle                | 50,000    |
| Property in the custody of a messengers or a salesmen | 25,000    |
| Property at any exhibition                            | 100,000   |

**B.** Form. Use endorsement CP 80 26.

**C.** Rules.

1. The policy must provide coverage on the insured's business personal property.
2. The Special Causes of Loss Form must apply to all covered property.
3. The Inflation Guard option must apply to all covered buildings.

**D.** Optional Coverages

~~1.~~ ~~Flood. Coverage is activated by an appropriate entry in the Declarations.~~

~~1.~~ ~~2.~~ Increased Limits. Endorsement CP 80 26 covers the following exposures indicated below. Increased coverage may be activated by an appropriate entry in the Declarations. Refer to Section E of this rule for premium instructions.

|                                                 |           |
|-------------------------------------------------|-----------|
| a. Debris Removal                               | \$ 50,000 |
| b. Pollutant Clean-up and Removal               | 100,000   |
| c. Newly Acquired or Constructed Building       | 1,500,000 |
| d. Business Income - Newly Acquired Locations   | 500,000*  |
| e. Sewer Back Up or Underground Seepage         | 25,000    |
| f. Humidity, Temperature, Marring or Scratching | 25,000    |
| g. Property in the Open                         | 10,000    |
| h. Industrial Diamonds and Precious Metals      | 25,000    |

~~32.~~ Demolition Cost. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.

~~43.~~ Increased Cost of Construction. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.

~~54.~~ Valuable Papers (Other than Electronic Data). Coverage is subject to the Direct Loss Blanket Limit. Use the increased limit option described in CLM Division Five and Valuable Papers rates determined in accordance with CLM Division Eight to provide specific additional coverage.

~~6.~~ ~~5~~ Civil Authority.\* Coverage is provided for 30 days. Use the procedures and factors described in CLM Division Five to provide coverage for longer periods.

~~76.~~ Extended Business Income.\* Coverage is provided for 90 days. Use the procedures described in CLM Division Five and the rate factors in section E of this rule to provide coverage for longer periods.

~~8.~~ ~~7~~ Business Income From Dependent Property.\* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.

~~9.~~ ~~8~~ Business Income From Interruption of Utility Services.\* Coverage is subject to the Indirect Loss Blanket Limit. Use the Time Element Utility Services option described in CLM Division Five to provide specific additional coverage.

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**10.9** Business Income Resulting From Damage to Property Away from Described Premises.\* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.

\*Available only if policy includes business income coverage form.

**E. Premium Determination**

**1. Property at fixed locations**

- a.** Buildings. Use rates and rules from Commercial Lines Manual Division 5.
- b.** Personal property

- (1)** Use rates and rules from Commercial Lines Manual Division 5.
- (2)** Charge an additional premium for the policy. No other rating factors (deviations, deductible factors, PMF's, IRPM, etc.) apply to the additional premium.

| <u>TOTAL AMOUNT OF<br/>PERSONAL PROPERTY<br/>AT ALL PREMISES</u> | <u>WITHOUT<br/>BUSINESS<br/>INCOME</u> | <u>INCLUDING<br/>BUSINESS<br/>INCOME</u> |
|------------------------------------------------------------------|----------------------------------------|------------------------------------------|
| Less than \$100,000                                              | \$ 215                                 | \$ 290                                   |
| 100,000 - 299,999                                                | 300                                    | 375                                      |
| 300,000 - 499,999                                                | 350                                    | 425                                      |
| 500,000 - 749,999                                                | 495                                    | 570                                      |
| 750,000 - 999,999                                                | 555                                    | 630                                      |
| 1,000,000 - 1,999,999                                            | 585                                    | 660                                      |
| 2,000,000 or more                                                | 645                                    | 720                                      |

**2. Personal property not at fixed locations**

- a.** Minimum limits. Included in additional premium charge from 1.b.(2) above; make no further adjustments.
- b.** Increased limits. Increase additional premium charge from 1.b.(2) above by the amount from the table below.

**(1) Property at any location**

| <u>TOTAL AMOUNT OF<br/>PERSONAL<br/>PROPERTY<br/>AT ALL PREMISES<br/>AT ALL INCEPTION</u> | <u>Increased Limits</u>    |                            |                            |                            |                            |                              |                                |                                 |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|---------------------------------|
|                                                                                           | <u>More Than<br/>Up To</u> | <u>500,000<br/>600,000</u> | <u>600,000<br/>700,000</u> | <u>700,000<br/>800,000</u> | <u>800,000<br/>900,000</u> | <u>900,000<br/>1,000,000</u> | <u>1,000,000<br/>1,500,000</u> | <u>1,500,000<br/>2,000,000*</u> |
| Less than 100,000                                                                         |                            | \$7                        | \$13                       | \$19                       | \$25                       | \$32                         | \$60                           | \$87                            |
| 100,000 - 299,999                                                                         |                            | 8                          | 16                         | 23                         | 31                         | 39                           | 73                             | 106                             |
| 300,000 - 499,999                                                                         |                            | 10                         | 19                         | 28                         | 37                         | 46                           | 86                             | 125                             |
| 500,000 - 749,999                                                                         |                            | 11                         | 22                         | 33                         | 43                         | 53                           | 101                            | 147                             |
| 750,000 - 999,999                                                                         |                            | 13                         | 26                         | 38                         | 50                         | 62                           | 117                            | 171                             |
| 1,000,000 - 1,999,999                                                                     |                            | 18                         | 35                         | 51                         | 68                         | 84                           | 159                            | 231                             |
| 2,000,000 or more                                                                         |                            | 29                         | 56                         | 83                         | 110                        | 137                          | 258                            | 375                             |

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**(2) In any one vehicle/vessel**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br>AT ALL INCEPTION | More Than<br>Up To | Increased Limits  |                    |                    |                     |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|---------------------|
|                                     |                    | 50,000<br>100,000 | 100,000<br>150,000 | 150,000<br>200,000 | 200,000<br>250,000* |
| Less than 100,000                   |                    | \$24              | \$44               | \$63               | \$81                |
| 100,000 - 299,999                   |                    | 29                | 53                 | 76                 | 99                  |
| 300,000 - 499,999                   |                    | 34                | 63                 | 90                 | 117                 |
| 500,000 - 749,999                   |                    | 39                | 73                 | 105                | 136                 |
| 750,000 - 999,999                   |                    | 46                | 85                 | 123                | 159                 |
| 1,000,000 - 1,999,999               |                    | 62                | 116                | 166                | 215                 |
| 2,000,000 or more                   |                    | 101               | 188                | 270                | 350                 |

**(3) In the custody of messengers and salesmen**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br>AT ALL INCEPTION | More Than<br>Up To | Increased Limits |                   |                    |                    |                     |
|-------------------------------------|--------------------|------------------|-------------------|--------------------|--------------------|---------------------|
|                                     |                    | 25,000<br>50,000 | 50,000<br>100,000 | 100,000<br>150,000 | 150,000<br>200,000 | 200,000<br>250,000* |
| Less than 100,000                   |                    | \$7              | \$18              | \$28               | \$38               | \$47                |
| 100,000 - 299,999                   |                    | 9                | 23                | 35                 | 47                 | 58                  |
| 300,000 - 499,999                   |                    | 9                | 26                | 41                 | 54                 | 68                  |
| 500,000 - 749,999                   |                    | 12               | 31                | 48                 | 64                 | 80                  |
| 750,000 - 999,999                   |                    | 13               | 36                | 56                 | 76                 | 93                  |
| 1,000,000 - 1,999,999               |                    | 18               | 49                | 76                 | 101                | 125                 |
| 2,000,000 or more                   |                    | 29               | 79                | 123                | 184                | 204                 |

**(4) At any exhibition**

TOTAL AMOUNT OF  
PERSONAL  
PROPERTY

| AT ALL PREMISES<br>AT ALL INCEPTION | More Than<br>Up To | Increased Limits   |                    |                     |
|-------------------------------------|--------------------|--------------------|--------------------|---------------------|
|                                     |                    | 100,000<br>150,000 | 150,000<br>200,000 | 200,000<br>250,000* |
| Less than 100,000                   |                    | \$4                | \$7                | \$10                |
| 100,000 - 299,999                   |                    | 4                  | 9                  | 13                  |
| 300,000 - 499,999                   |                    | 5                  | 10                 | 15                  |
| 500,000 - 749,999                   |                    | 6                  | 12                 | 18                  |
| 750,000 - 999,999                   |                    | 7                  | 14                 | 21                  |
| 1,000,000 - 1,999,999               |                    | 10                 | 19                 | 28                  |
| 2,000,000 or more                   |                    | 16                 | 30                 | 45                  |

\*Use established Inland Marine underwriting procedures to determine additional premium for limits in excess of those in the table.

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**3. Optional coverages**

**a.** ~~Flood. Refer to company.~~

**b.** Increased limits.

- (1) Debris Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (2) Pollutant Clean Up and Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (3) Newly Acquired or Constructed Buildings. No charge.
- (4) Business Income - Newly Acquired Locations. No charge.
- (5) Sewer Back Up or Underground Seepage. Charge \$.01 per \$100 for limits in excess of standard limit.
- (6) Humidity, Temperature, Marring or Scratching. Charge \$0.05 per \$100 for limits in excess of standard limit.
- (7) Property in the Open. Charge \$.25 per \$100 for limits in excess of standard limit.
- (8) Industrial Diamonds and Precious Metals. Charge \$.10 per \$100 for limits in excess of standard limit.

**c.** Extended Business Income. Use the following factors for longer periods.

| Coverage Period (in days) | Factor |
|---------------------------|--------|
| 120                       | 1.05   |
| 150                       | 1.10   |
| 180                       | 1.20   |
| 270                       | 1.25   |
| 365                       | 1.30   |
| 450                       | 1.35   |
| 540                       | 1.40   |
| 630                       | 1.45   |
| 730                       | 1.50   |

- d.** Business Income from Dependent Property. Charge \$.15 per \$100 for specific coverage.
- e.** Business Income Resulting From Damages to Property Away From Described Premises. Charge \$1.00 per \$100 for specific coverage.

**Rule 38-6 CUSTOMERS' PATTERNS, DIES, AND MOLDS**

- A.** Description of coverage. This form may be used to cover patterns, dies and molds that belong to the insured's customers. Coverage is excess over any other coverage that applies to the property.
- B.** FORM. Use endorsement CP 80 31.
- C.** RULES
  1. The minimum limit of insurance is \$100,000.
  2. The Special Causes of Loss Form must apply to all covered property.

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- D. PREMIUM DETERMINATION.** Multiply the limit of insurance by the applicable rate (per \$100 of insurance).

|                         | <u>Rate</u> |
|-------------------------|-------------|
| Sprinklered Premises    | \$ .05      |
| Nonsprinklered Premises | .10         |

**Rule 38-7 RESERVED FOR FUTURE USE**

**Rule 38-8 ELECTRONIC MEDIA AND RECORDS COVERAGE**

- A.** Description of Coverage. This form is used when electronic media and records are insured as a separate item.
- B.** Form. Use endorsements CP 70 43.
- C.** Rule. The Causes of Loss Special Form must apply to covered property.
- D.** Rate. Multiply the Basic Group 1 rate that applies to personal property at the premises by 1.82.
- E.** Premium Determination. Multiply the limit of insurance by the rate.

**Rule 38-9 EMPLOYEE PROPERTY**

- A.** Description of Coverage. This endorsement is used to provide coverage on employee-owned tools used in the insured's business. Coverage applies at the insured's premises and elsewhere.

A separate deductible applies to each employee if employee property is the only property damaged in an occurrence. The property occurrence deductible applies in other situations.

- B.** Form. Use endorsement CP 80 06.
- C.** Premium Determination. Multiply the Employee Property limit by the personal property Basic Group 1, Group 2, and Special Form rates.

**Rule 51-2 ANNUAL BUSINESS INCOME**

- A.** Description of Coverage. This form changes Business Income coverage to provide coverage for a period of 12 months after the date of direct physical loss or damage. No specific limit of insurance or coinsurance percentage is displayed in the Declarations.
- B.** Form. Use Endorsement CP 70 26.
- C.** Ineligibility. Do not use CP 70 26 when:
  - 1. The Monthly Limit of Insurance option is applicable.
  - 2. The Maximum Period of Indemnity option is applicable.
  - 3. The Ordinary Payroll Limitation or Exclusion is applicable.
  - 4. The Discretionary Payroll Option is applicable.

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**D. Premium Determination.**

- 1. Annual Business Income Exposure.** Multiply the annual sales by the appropriate factor from the table below to determine the Annual Business Income exposure. (For Rental Properties/Private Warehouses, multiply the building value by the rental property factor.)

**a) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .14 |
| Manufacturing                     | .33 |
| Rental Property/Private Warehouse | .17 |

**b) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .13 |
| Manufacturing                     | .30 |
| Rental Property/Private Warehouse | .15 |

- 2. Rate Modification.** Multiply the base rate by the appropriate factor from the table below. Exception: do not apply the following Rate Modifications to the Special Cause of Loss base rate. Use the factor applicable to the insured's principal business. For combined operations, determine a weighted factor as described in Rule 50.E.1.c.

**a) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .50 |
| Manufacturing                     | .66 |
| Rental Property/Private Warehouse | .47 |

**b) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .46 |
| Manufacturing                     | .60 |
| Rental Property/Private Warehouse | .43 |

- 3. Multiply the exposure by the modified rate.**

**E. Optional Coverage Periods**

**1. 6 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .07 |
| Manufacturing                     | .17 |
| Rental Property/Private Warehouse | .09 |

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**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .06 |
| Manufacturing                     | .15 |
| Rental Property/Private Warehouse | .08 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |      |
|-----------------------------------|------|
| Mercantile/Non-Manufacturing      | .76  |
| Manufacturing                     | 1.00 |
| Rental Property/Private Warehouse | .72  |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .69 |
| Manufacturing                     | .90 |
| Rental Property/Private Warehouse | .65 |

**2. 9 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .11 |
| Manufacturing                     | .25 |
| Rental Property/Private Warehouse | .13 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .10 |
| Manufacturing                     | .23 |
| Rental Property/Private Warehouse | .11 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .64 |
| Manufacturing                     | .81 |
| Rental Property/Private Warehouse | .59 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .58 |
| Manufacturing                     | .73 |
| Rental Property/Private Warehouse | .54 |

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**3. 18 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .21 |
| Manufacturing                     | .50 |
| Rental Property/Private Warehouse | .26 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .19 |
| Manufacturing                     | .45 |
| Rental Property/Private Warehouse | .23 |

**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .43 |
| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

**4. 24 Months**

**a) Exposure factors**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .28 |
| Manufacturing                     | .66 |
| Rental Property/Private Warehouse | .34 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .25 |
| Manufacturing                     | .60 |
| Rental Property/Private Warehouse | .30 |



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**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

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|                                   |     |
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| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

**Rule 74-1 EQUIPMENT BREAKDOWN COVERAGE**

- A. Description of Coverage.** Equipment Breakdown Coverage will be added to all policies to insure Covered Property against loss resulting from pressure vessels, electrical damage, and mechanical breakdown.
- B. Forms**
1. Attach endorsement CP 70 47 to policies that contain the Causes of Loss Special Form.
  2. Optional endorsement CP 70 54 will be attached to policies where the equipment breakdown deductible amount is different from the property deductible amount.
  3. Other endorsements may be attached as appropriate.
- C. Coverage Options**
1. Increased Consequential Loss Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
  2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.012/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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**b) Rate Modification**

**(1) Business Income (and Extra Expense) Form CP 00 30**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .47 |
| Manufacturing                     | .62 |
| Rental Property/Private Warehouse | .43 |

**(2) Business Income (Without Extra Expense) Form CP 00 32**

|                                   |     |
|-----------------------------------|-----|
| Mercantile/Non-Manufacturing      | .43 |
| Manufacturing                     | .56 |
| Rental Property/Private Warehouse | .38 |

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  2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.005/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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| <b>2 Digit NAIC Codes and Description</b>       | <b>Mfg or Non-Mfg</b> | <b>Exceptions to 2 Digit NAIC Codes</b>                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 Agriculture/Farming/Growing/Livestock        | Mfg                   | 115112 Soil Preparation<br>115113 Crop Harvesting by Machine<br>115114 Post Crop Harvest Activities<br>115115 Farm Labor Contractors<br>115116 Farm Management Services<br>115210 Livestock Services excl Vet                                         |
| 21 Mining/Quarrying,                            | Mfg                   |                                                                                                                                                                                                                                                       |
| 22 Utility Services and Generation              | Mfg                   |                                                                                                                                                                                                                                                       |
| 23 Construction/Trade Contractors               | Non-Mfg               | 237120 Oil & Gas Pipeline Construct                                                                                                                                                                                                                   |
| 31 Food/Beverage/Textile Production             | Mfg                   |                                                                                                                                                                                                                                                       |
| 32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg | Mfg                   |                                                                                                                                                                                                                                                       |
| 33 Machinery/Equipment/Metal/Durable Item Mfg,  | Mfg                   | 339116 Dental Laboratories                                                                                                                                                                                                                            |
| 42 Durable Merchants and Wholesalers            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 44 Consumer Non-Durable Retailers and Dealers   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 45 Department, Specialty Retail Stores          | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 48 Transportation Op.s-Air/Water/Road/Rail/Pipe | Non_Mfg               | 486110 Crude Oil Pipelines<br>486910 Refined Oil Pipelines<br>486990 Pipelines – All Other<br>486210 Natural Gas Pipelines                                                                                                                            |
| 49 Delivery, Courier, and Warehouse Operations  | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 51 Communication Medias– Book/Radio/TV/Etc      | Non-Mfg               | 511110 Newspaper Publisher<br>511120 Periodical Publishers<br>511130Book Publishers<br>511191 Greeting Card Publishers<br>511199 Publishers All Other<br>512230 Music Publishers<br>512220 Record/Tape/Disk Mfg/Distrib<br>511210 Software Publishers |
| 52 Financial Institutions/Operations            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 53 Real Estate/Rentals/Leasing Operations       | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 54 Services- Professional/Research/Agencies     | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 55 Offices for Holding Companies/Corporations   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 56 Business Services                            | Non-Mfg               | 562211 Hazardous Waste Disposal<br>562212 Solid Waste Landfill<br>562213 Solid Waste Incinerators<br>562219 Nonhazardous Waste Handle<br>562920 Materials Recovery Facilities<br>562910 Remediation Services<br>562998 All Other Waste Services       |
| 61 Schools and Training Centers                 | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 62 Medical/Health/Wellness Services and Centers | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 71 Recreation/Arts/Entertainment Operations     | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 72 Food/Restaurant/Lodging/Bars/Camping         | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 81 Repair & Service Shops/Organizations/Church  | Non-Mfg               | 812921 Photofinishing Lab<br>812922 1 Hour Photofinishing Lab                                                                                                                                                                                         |
| 92 Governmental Institutions                    | Non-Mfg               |                                                                                                                                                                                                                                                       |

**COMMERCIAL LINES MANUAL  
DIVISION FIVE – FIRE AND ALLIED LINES  
COMPANY EXCEPTION PAGE**

| <b>2 Digit NAIC Codes and Description</b>       | <b>Mfg or Non-Mfg</b> | <b>Exceptions to 2 Digit NAIC Codes</b>                                                                                                                                                                                                               |
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| 21 Mining/Quarrying,                            | Mfg                   |                                                                                                                                                                                                                                                       |
| 22 Utility Services and Generation              | Mfg                   |                                                                                                                                                                                                                                                       |
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| 31 Food/Beverage/Textile Production             | Mfg                   |                                                                                                                                                                                                                                                       |
| 32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg | Mfg                   |                                                                                                                                                                                                                                                       |
| 33 Machinery/Equipment/Metal/Durable Item Mfg,  | Mfg                   | 339116 Dental Laboratories                                                                                                                                                                                                                            |
| 42 Durable Merchants and Wholesalers            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 44 Consumer Non-Durable Retailers and Dealers   | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 45 Department, Specialty Retail Stores          | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 48 Transportation Op.s-Air/Water/Road/Rail/Pipe | Non_Mfg               | 486110 Crude Oil Pipelines<br>486910 Refined Oil Pipelines<br>486990 Pipelines – All Other<br>486210 Natural Gas Pipelines                                                                                                                            |
| 49 Delivery, Courier, and Warehouse Operations  | Non-Mfg               |                                                                                                                                                                                                                                                       |
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| 52 Financial Institutions/Operations            | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 53 Real Estate/Rentals/Leasing Operations       | Non-Mfg               |                                                                                                                                                                                                                                                       |
| 54 Services- Professional/Research/Agencies     | Non-Mfg               |                                                                                                                                                                                                                                                       |
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DIVISION FIVE – FIRE AND ALLIED LINES  
COMPANY EXCEPTION PAGE**

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Multiply the limit of insurance for subject property by the Equipment Breakdown rate.

2. No premium charge is required for the following property:
  - a) Property under construction
  - b) Property in the open and outdoor property
  - c) Property of others
  - d) Household property
  - e) Property at undeclared locations
3. Increased Consequential Loss Limit. Refer to reinsurance company for adjusted rates.
4. Increased Refrigeration Contamination Limit. Refer to reinsurance company for adjusted rates.
5. Equipment Breakdown Rate. The above Manufacturing or Non-manufacturing rate will be increased to reflect the following (when applicable):
  - a) Increased Consequential Loss Limit
  - b) Increased Refrigeration Contamination Limit
  - c) Cost of facultative reinsurance

**Rule 74-2** Reserved for future use.

**Rule 74-3 FALSE PRETENSE COVERAGE**

- A. Description of Coverage. This coverage applies to property the insured rents or leases to another party and to property temporarily away from the insured's premises for demonstration or trial. The Voluntary Parting exclusion does not apply to this property when False Pretense Coverage is written.
- B. Limit of Insurance. The limit of insurance will be displayed in the declarations; limits available are \$25,000, \$50,000 or \$100,000 per occurrence.
- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

|    | <u>LIMIT</u> | <u>RATE</u> |
|----|--------------|-------------|
| \$ | 25,000       | \$ 1.50     |
|    | 50,000       | 2.00        |
|    | 100,000      | 2.25        |

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DIVISION FIVE – FIRE AND ALLIED LINES  
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- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

|    | <u>LIMIT</u> | <u>RATE</u> |
|----|--------------|-------------|
| \$ | 25,000       | \$ 1.50     |
|    | 50,000       | 2.00        |
|    | 100,000      | 2.25        |

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- f. Minimum rates and premiums.
- g. Dwelling properties that contain fewer than five dwelling units. However, this rule does not apply to property that is part of an apartment or condominium project.

Rule 8.B does not apply to dwelling properties that contain fewer than five dwelling units unless the property is part of an apartment or condominium project.

h. Customers' Patterns, Dies and Molds Coverage.

h.i. Commercial Property Flood Coverage

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SENTRY INSURANCE A MUTUAL COMPANY  
MIDDLESEX INSURANCE COMPANY  
PATRIOT GENERAL INSURANCE COMPANY  
SENTRY LLOYDS OF TEXAS  
MLCP-CE-2

Edition 09-1410-18

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**B. Eligibility**

1. The Scorecard and schedule rating plans will apply to all property policy types on an account, whether written on a package or monoline basis, except for the following coverages and rating plans, if included within an eligible policy type:
  - a. Equipment Breakdown, Earthquake, [Flood](#), Mine Subsidence, Highly Protected Risks and Terrorism.
  - b. Coverages rated at minimum premium.
  - c. Coverages subject to a flat charge or rated using a percentage of premium that is modified by scorecard or schedule rating factors.
  - d. The hurricane load portion of BGII
2. There is no premium eligibility requirement under the Scorecard and schedule rating plans.

**C. Scorecard Rating Plan – Rating Procedure**

1. Using various characteristics of the account, the Scorecard model will assign a Price Point, with a corresponding rating factor.
2. Eligibility for Scorecard is determined at policy inception.
3. Apply the rating factors determined in C.1. to all the applicable eligible coverages.
4. Do not adjust the rating factor during the policy term due to mid-term changes; all changes during the policy term will be applied to the subsequent renewal.
5. Experience Rating does not apply to Scorecard eligible risks.

**D. Schedule Rating Plan – Rating Procedure**

1. The manual rates will be further modified in accordance with the schedule rating table below. The schedule modification reflects individual account characteristics not reflected or included in the Scorecard Rating Plan.

| Risk Characteristics                                                                                                        | Maximum Credit |    | Maximum Debit |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|----|---------------|
| A. Location <ul style="list-style-type: none"><li>inside or outside exposures</li></ul>                                     | 10%            | to | 10%           |
| B. Premises <ul style="list-style-type: none"><li>condition and care</li></ul>                                              | 10%            | to | 10%           |
| C. Equipment <ul style="list-style-type: none"><li>type, condition, or handling</li></ul>                                   | 10%            | to | 10%           |
| D. Employees <ul style="list-style-type: none"><li>selection, training, supervision or experience</li></ul>                 | 10%            | to | 10%           |
| E. Safety Organization                                                                                                      | 20%            | to | 20%           |
| F. Classification or Account Peculiarities                                                                                  | 10%            | to | 10%           |
| G. Dispersion or Concentration of Insured Values                                                                            | 20%            | to | 20%           |
| H. Management <ul style="list-style-type: none"><li>cooperation with the insurance company or business experience</li></ul> | 10%            | to | 10%           |

2. The maximum schedule credit and the maximum schedule debit under the schedule rating plan shall not exceed +25 / -25%, unless otherwise noted in the state exception pages.
3. The schedule rating plan will be calculated and applied uniformly to each eligible coverage.